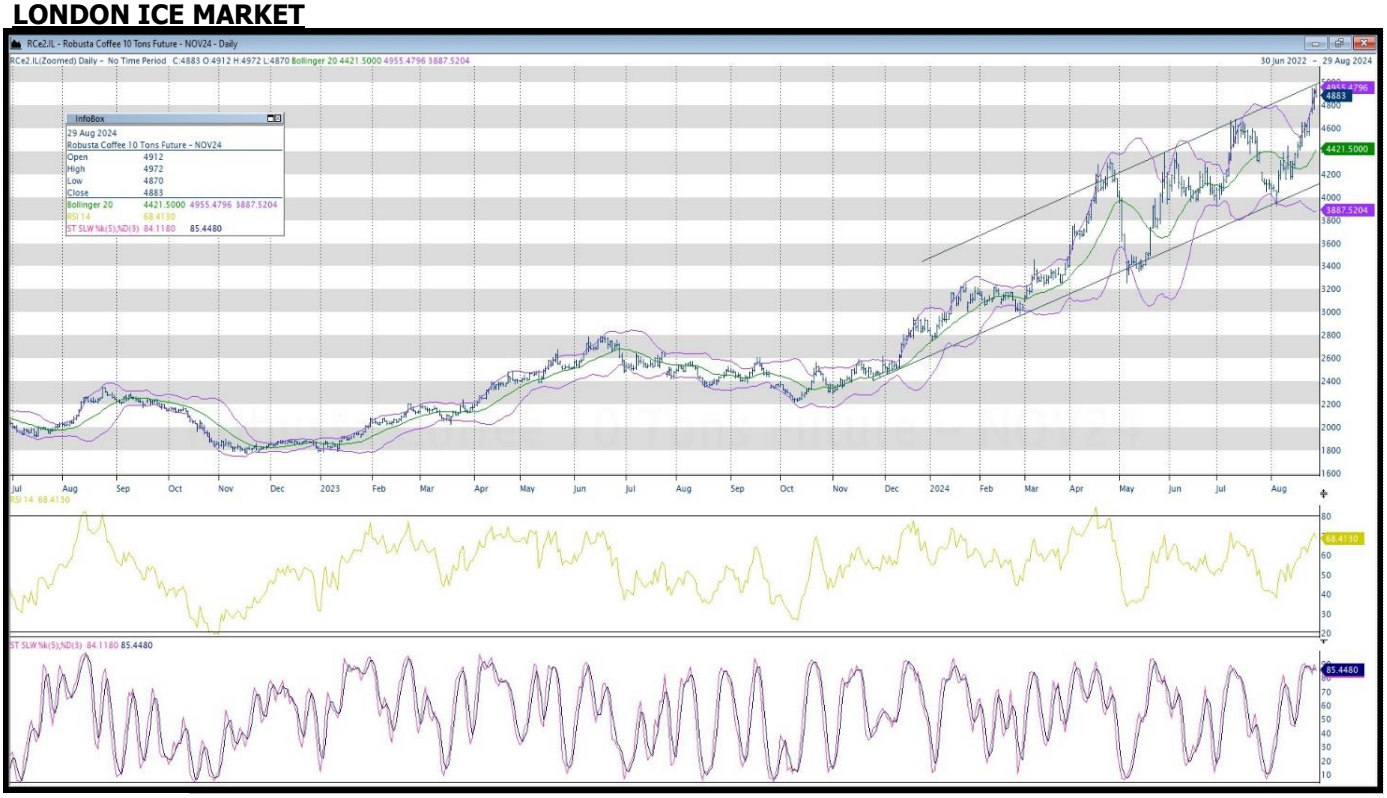
WEEKLY MARKET REPORT

LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
SEP24	5260	-56	5305	5260	5316
NOV24	4846	-80	4972	4842	4926
JAN25	4644	-73	4757	4642	4717
MAR25	4463	-74	4561	4463	4537

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
SEP24	257,80	-2,65	258,70	257,80	260,45
DEC24	250,35	-6,10	257,40	250,10	256,45
MAR25	247,90	-6,10	254,85	247,85	254,00
MAY25	245,80	-5,80	252,15	245,50	251,60

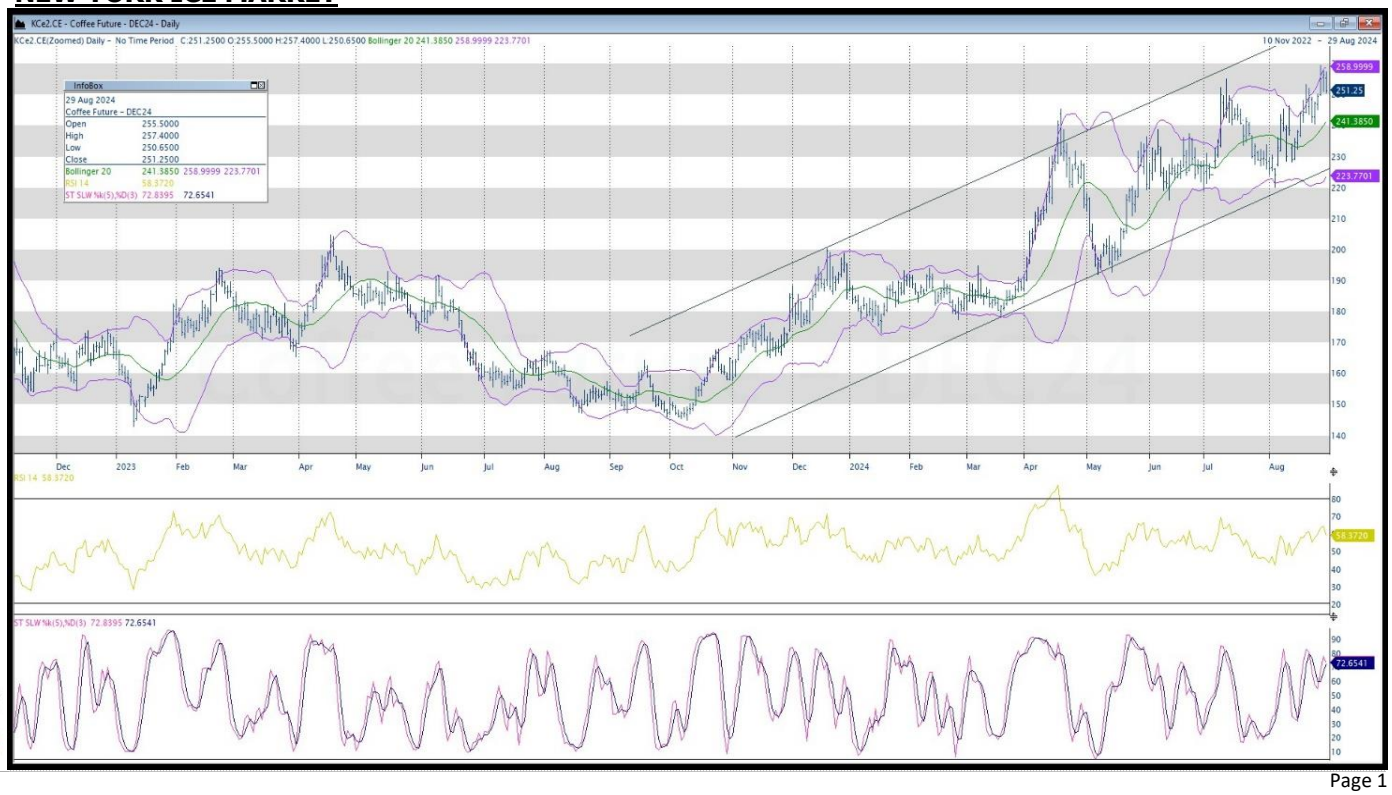
London ICE:

Supports: 4725, 4690 & 4525
Resistances: 4975, 5190, 5290 & 5450-5470

New York ICE:

Supports: 247,75, 240,5, 235,00 & 220,15
Resistances: 253,25, 267,00 & 284,00-286,00

NEW YORK ICE MARKET



WEEKLY MARKET REPORT

BRAZIL

Arabica coffee futures climbed to the highest point in over two years on concerns that persistent hot and dry weather in top producer Brazil risks production losses for next season. The region saw some rains over the past weekend, but now the forecast is turning towards higher temperatures again during a crucial period for the development of trees. A Maxar weather report predicted "mostly dry" conditions for the next 6-10 days.

Arabica crops need mild temperatures and regular rainfall during the flowering period that starts in September, but weather in Brazil has been erratic so far this year. Concerns that weather would stay too cold helped push futures up last week and the unpredictability has kept prices at historically high levels. The recent dry weather is also behind a spate of massive fires in the country's sugar-cane fields over the weekend.

According to Cooxupé, there has been no significant rainfall in several growing regions of Brazil for around 130 days.

Meanwhile, the first flowerings of the new Robusta crop have already begun in some areas of Espírito Santo. It is interesting to note that Espírito Santo – Brazil's largest Robusta producing state – has increased its exports of all forms of coffee to the European Union almost eightfold this year. Shipments to EU countries totaled 2.3 million bags in the first seven months of the year, mostly (2.25 million) green coffee: almost 2 million bags more than in the same period last year. The EU thus absorbed 42.7% of the state's exports, compared to 15.6% 2023. The main destination market was Belgium, with 805,700 bags, followed by Italy, with 462,900 bags, Germany (349,900 bags) and Spain (317,900 bags). According to Enio Bergoli, Espírito Santo's Secretary of State for Agriculture, increased exports towards the EU were also due to Vietnam's lower exports and the logistical difficulties caused by the international situation, as well as the prospect of the imminent entry into force of the EUDR regulation.

VIETNAM

In Vietnam, the weather has improved significantly and is now presenting favorable conditions for the development of the next harvest. However, the expected arrival of the La Niña phenomenon could alter the normal seasonal pattern of precipitation bringing rainfall that could hinder bean picking and drying processes at the end of the year.

The Robusta market continues to be affected by the situation in Vietnam, where the weather has improved, but not enough to offset the negative impact of the drought in the first half of the year. In the first seven months of the year, the Indochinese country exported 16.066 million bags. This represents a 13.8% drop in volume compared to the same period last year, but is offset by a 30.9% increase in value, to a record $3.54 billion. According to an estimate made in early August by the authoritative Vietnam Coffee and Cocoa Association (VICOFA), Vietnam currently has only about 148,000 tons of coffee left to export in the remaining 2 months of the 2023/2024 crop year.

Domestic prices meanwhile are on the rise this week, while trade continued on a subdued note on exceptionally low supplies at the end of the crop season. According to estimations of the Mercantile Exchange of Vietnam quoted by Reuters, there were only 100,000 tons of beans harvested in the 2023/23 crop season left before the new crop starts in October, less than the VICOFA estimation. Farmers in the Central Highlands, Vietnam's largest coffee-growing area, were selling beans for 118,500-119,300 dong (US$4.75-US$4.79) per kg.

CENTRAL AMERICA / COLOMBIA

Hurricane Gilma has formed off the west coast of Mexico in the Pacific Ocean and has been classified as a Category three hurricane. Anyway, this weather phenomenon is foreseen to be tracking in a westerly direction away from the coastline and not expected to make landfall and thus not seen to pose a climatic threat for the ripening new crop coffees within the Central American and Mexico producer block, according to I. & M. Smith.

OTHERS

Kenya - The weather remains dry and cold in most parts of the country. Some areas are receiving occasional showers. Shipping lines are still experiencing a shortage of food-grade containers. Hapag-Lloyd is the second shipping line to issue a notice to halt bookings to North Europe.

DEMAND / INDUSTRY

Low stocks have already been replenished and, **in the European Union**, purchases exceeded what was necessary, expanding buffer reserves against possible impacts of the new EUDR (European Union Deforestation-Free Regulation).

QUOTATION EURO / US DOLLAR

€/US$ rate	last	high	low
EUR/USD Euro/US Dollar	1,10971	1,11399	1,10721

Conditions for a potential devaluation of the EUR against the USD are increasing with statements from the ECB recognizing that interest rates will continue falling if inflation continues to moderate. In the US, consumer confidence in August rebounded much more than expected, returning to levels of Mar'24.

ADDITIONAL COMMENTS

Intercontinental Exchange (ICE) said Tuesday that ICE Benchmark Administration is collaborating with mapping data provider Space Intelligence to launch the ICE Commodity Traceability Service. The service aims to facilitate the continued frictionless trade of physical cocoa and coffee through the automation of the process of submitting, storing, validating and sharing due diligence information that the EU's Deforestation Regulation requires, Intercontinental Exchange said. The company said ICE Benchmark Administration intends to launch the technology platform before the end of the year.

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